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10 **UNITED STATES BANKRUPTCY COURT**  
11 **EASTERN DISTRICT OF CALIFORNIA**  
12 **FRESNO DIVISION**

13 In re  
14 PRIDE TRANSPORTATION, INC.,  
15 Debtor.

Case No. 09-16328

Chapter 11

DC No. LML-2

16 KEY EQUIPMENT FINANCE INC.,  
17 Movant,  
18 v.  
19 PRIDE TRANSPORTATION, INC.,  
20 Respondent.

[No Hearing Requested]

Honorable W. Richard Lee

21 **STIPULATION MODIFYING THE AUTOMATIC STAY**  
22 **PURSUANT TO SECTION 362 OF THE BANKRUPTCY CODE**

23 This Stipulation Modifying the Automatic Stay Pursuant to Section 362(d) of the  
24 Bankruptcy Code, Pursuant to Rule 4001(d) of the Federal Rules of Bankruptcy Procedure (the  
25 "Stipulation"), dated as of March 3, 2010, is entered into by and between KEY EQUIPMENT  
26 FINANCE INC. ("KEF") and JEFFREY M. VETTER (the "Trustee").

27 **RECITALS:**

28 **WHEREAS**, on July 6, 2009 (the "Petition Date"), the Debtor filed its voluntary petition  
under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern  
District of California, Fresno Division (the "Court");

1       **WHEREAS**, the Court converted this case to Chapter 7 on February 5, 2010, and  
2 appointed the Trustee to liquidate the Debtor's estate;

3       **WHEREAS**, KEF and the Debtor are parties to various Vehicle Financing Agreements,  
4 under which the Debtor purchased six pieces of equipment from KEF;

5       **WHEREAS**, KEF perfected its security interest in each piece of Collateral (defined  
6 below) by noting the same on the Collateral's certificates of title;

7       **WHEREAS**, the Debtor entered into a Vehicle Financing Agreement for that certain 2006  
8 Peterbilt Conventional Tractor, Model: 379-127, V.I.N. # 1XP5DB9X76D883245 (the "2006  
9 Tractor");

10       **WHEREAS**, the Debtor obligated itself to pay KEF sixty monthly payments of \$2,388.43  
11 for the 2006 Tractor;

12       **WHEREAS**, the Debtor entered into separate Vehicle Financing Agreements for each of  
13 the following: (i) a 2007 Reitnouer Aluminum Dump Trailer, Maxlie FB, V.I.N.  
14 # 1RNF48A287R018892 and (ii) a 2007 Reitnouer FB 48'x102" Aluminum Trailer, V.I.N.  
15 # 1RNF48A207R018899 (collectively, the "2007 Trailers");

16       **WHEREAS**, the Debtor obligated itself to pay KEF sixty monthly payments of \$618.93  
17 for each of the 2007 Trailers;

18       **WHEREAS**, the Debtor entered into a Vehicle Financing Agreement for that certain  
19 (i) 2007 Vanguard Dry Van, V.I.N. #5V8VA53257M706751; (ii) 2007 Vanguard Dry Van,  
20 V.I.N. # 5V8VA53277M706752; (iii) 2007 Vanguard Dry Van, V.I.N. # 5V8VA53277M706753  
21 (collectively, the "2007 Vans," and together with the 2007 Trailers and the 2006 Tractor,  
22 collectively, the "Collateral");

23       **WHEREAS**, the Debtor obligated itself to pay KEF sixty monthly payments of \$1,367.62  
24 for the 2007 Vans;

25       **WHEREAS**, before this case converted to Chapter 7, the Debtor had communicated to  
26 KEF its intent to immediately surrender the Collateral;

27       **WHEREAS**, pursuant to Section 362(a) of the Bankruptcy Code, the automatic stay is in  
28 place as to any remedial actions by KEF regarding the Collateral;

1       **WHEREAS**, the Trustee and KEF have reached an agreement as set forth herein to  
2 modify the automatic stay, which will permit KEF to immediately take possession of the  
3 Collateral;

4       **WHEREAS**, the Trustee, for his part, agrees that the Stipulation is reasonable and proper,  
5 and good cause exists to modify the automatic stay as provided herein;

6       **NOW, THEREFORE, THE PARTIES HERETO AGREE AND STIPULATE AS**  
7 **FOLLOWS:**

8       Each Recital set forth above is hereby incorporated as if fully forth herein.

9       Upon consent of KEF and the Trustee, the automatic stay provided in 11 U.S.C. § 362 is  
10 hereby modified, vacated, and annulled, with regard to the Collateral, as follows:

11       KEF, for its part, agrees that it will promptly notify the Trustee in writing if the results of  
12 any sale of the Collateral produce any value in excess of KEF's secured liens in the Collateral and  
13 will turn over any such proceeds to the Trustee.

14       This Stipulation shall become effective immediately upon entry of an Order by the  
15 Bankruptcy Court approving the same, notwithstanding the ten day stay provided in Bankruptcy  
16 Rule 4001(a)(3).

17       This Stipulation does not compromise the rights of either party with respect to the  
18 bankruptcy case, except to the extent provided herein.

19       KEF shall be entitled to file a proof of claim for the full amount of its claim for the  
20 Collateral, which shall be reduced by the net proceeds from the sale of the Collateral after KEF is  
21 able to sell the Collateral and obtain the proceeds thereof.

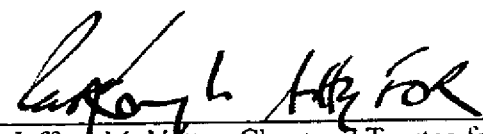
22       This Stipulation may be executed in any number of counterparts and by different parties  
23 hereto in separate counterparts, each of which when so executed shall constitute an original, but  
24 all of which taken together shall be one instrument.

25       The Court shall retain jurisdiction over the parties and subject matter of this Stipulation to  
26 resolve any dispute in connection with the rights and duties specified herein.

27       **IN WITNESS WHEREOF**, the parties hereto have caused this Stipulation to be duly  
28 executed and delivered on the date first written above.

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Leib M. Lerner, on behalf of Key  
Equipment Finance Inc.

  
Jeffrey M. Vetter, Chapter 7 Trustee for the  
Debtor.

Dated this 3rd day of March, 2010.

**ALSTON & BIRD LLP**

/s/ Leib M. Lerner

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/s/ Leib M. Lerner

Leib M. Lerner, on behalf of Key  
Equipment Finance Inc.

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Jeffrey M. Vetter, Chapter 7 Trustee for the  
Debtor.

Dated this 23<sup>rd</sup> day of March, 2010.

**ALSTON & BIRD LLP**

/s/ Leib M. Lerner

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